GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

STARRED QUESTION NO:107
ANSWERED ON:30.11.2005
PERFORMANCE OF MTNL
Bauri Smt. Susmita

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Mahanager Telephone Nigam Limited (MTNL) has failed to achieve the target fixed in Cellular Mobile Telephone Service (CMTS) for growth in its subscriber base;

(b) if so, the reasons therefor;

(c) the proejcted revenue and the revenue actually earned by the MTNL during the last three years;

(d) whether the MTNL also could not achieve the target of other physical and financial parameters relating to procurement, installation, commissioning and performance of various equipments;

(e) if so, whether the MTNL has suffered a loss to the tune of Rs. 97.20 crore as a result thereof; and

(f) if so, the steps taken or proposed to be taken by the Government to achieve the projected targets?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 107 FOR 30TH NOVEMBER, 2005 REGARDING PERFORMANCE OF MTNL.

(a) & (b) No, Sir. While no specific targets for CMTS have been fixed for 2004-05, a total of 5.21 lakhs CMTS subscribers have been added. The market share in cellular mobile services in MTNL Mumbai & Delhi has reached to 15.4% and 13.17% respectively in October, 2005 from 5.25% and 6.73% in March, 2004.

(c) Projected revenue and revenue actually earned during the last three years is as under:-

Year	Projected Revenue (in Crores)	Actual Revenue earned (in Crores)
2002-2003	6458.00	6030.66
2003-2004	6210.00	6683.93
2004-2005	5568.00	6084.10

(d) Position relating to achievement of physical and financial targets as reflected in Memorandum of Understanding (MoU) for 2004-05 are given in the Annexure.

(e) No, Sir. MTNL has made a profit after tax of Rs. 938.97 Crore during 2004-05.

(f) Some of the steps taken by MTNL are as follows:-

(i) Expanded the capacity of CMTS by 4 lakh lines each in Delhi and Mumbai.

(ii) Adequate capacity and availability of service on demand has been ensured.

(iii) General Packet Radio Service (GPRS) and other value added services have been introduced.

(iv) Broadband service based on latest Asymmetric Digital Subscriber Line (ADSL) and plus technology has been introduced.

Periodical review of the performance of MTNL is being done.

ANNEXURE

1. Performance in respect of Static Financial Parameters

Criteria	MoU Target	Achievement
1. Gross Margin/Gross Block (%)	11.96	13.42
2. Net Profit/Networth (%)	6.14	9.05
3. Gross Profit/Capital Employed	9.30	11.04(%)
4. Gross Margin (Rs. in crore)	1941.45	1895.88
5. Gross Sales (Rs.in crore)	6461.70	5615.42
6. PBDIT/Total Employment (Rs.)	331878	343233
7 Added value/Gross Sales (%)	1.22	- 4.18

2. Performance in respect of Sector Specific Physical Parameters

Criteria	MoU Target	Achievements		
	Delhi	Mumbai	Total	
1. To provide New Connections including Fixed line, WLL & Cellular	450K	84.056K	234.941K	318.997K
2. Provisioning of net Switching capacity including capacity for WLL & GSM	830K	358.920K	464.000K	822.92K
3. To provide new TAX/Tandem lines	187K	45.000K	71.240K	116.24K
4. Commissioning of DLCs	410	122	262	384
5. Provision of leased circuits	1500	2034	1223	3257
6. Roll-out of PCOs in Delhi & Mumbai	1400	12078	28044	40122
7 Optical Fibre in fibre K.M.	18000	19421.40	11360.31	30781.71